

DORSEY, KING, GRAY, NORMENT & HOPGOOD

ATTORNEYS-AT-LAW

318 SECOND STREET

HENDERSON, KENTUCKY 42420

JOHN DORSEY (1920-1986)  
FRANK N. KING, JR.  
STEPHEN D. GRAY  
WILLIAM B. NORMENT, JR.  
J. CHRISTOPHER HOPGOOD  
S. MADISON GRAY

TELEPHONE  
(270) 826-3965  
TELEFAX  
(270) 826-6672  
www.dkgnlaw.com

June 1, 2010

**FEDERAL EXPRESS**

Mr. Jeff DeRouen  
Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

RECEIVED

JUN 02 2010

PUBLIC SERVICE  
COMMISSION

Re: Kenergy Corp.  
Case No. 2010-00110 (Construction Work  
Plan)

Dear Mr. DeRouen:

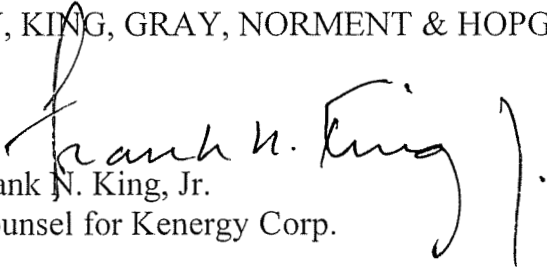
Enclosed for filing please find an original and six (6) copies of  
Kenergy Corp.'s response to first data request of Commission Staff.

Your assistance in this matter is appreciated.

Very truly yours,

DORSEY, KING, GRAY, NORMENT & HOPGOOD

By

  
Frank N. King, Jr.  
Counsel for Kenergy Corp.

FNKJr/cds

Encls.

COPY/w/encls.: Mr. John Newland, Kenergy Corporation

RECEIVED

JUN 02 2010

PUBLIC SERVICE  
COMMISSION

**BEFORE THE  
KENTUCKY PUBLIC SERVICE COMMISSION**

**IN THE MATTER OF THE APPLICATION)  
OF KENERGY CORP. FOR CERTIFICATE)  
OF CONVENIENCE AND NECESSITY )  
AUTHORIZING CERTAIN PROPOSED ) CASE NO. 2010-00110  
CONSTRUCTION IDENTIFIED AS THE )  
2010-2013 CONSTRUCTION WORK PLAN)**

**RESPONSE OF KENERGY CORP. TO FIRST DATA REQUEST  
OF COMMISSION STAFF**

1. Kenergy's application and proposed construction work plan do not identify or describe any Smart Grid or Smart Meter activity. In Case No. 2008-00408, Kenergy indicated that it was midway through a pilot program of an Advanced Metering Infrastructure ("AMI") system, a focal point of which was expanded use of metering data and technology to maximize efficiencies throughout Kenergy's system. In addition, Kenergy stated that its AMI system has the capability of demand response control and can provide real-time energy usage information to the consumer. With reference to the information provided in Case No. 2008-00408, address the following:

- a. Describe the pilot AMI program, including the hardware and software involved.

**RESPONSE:** Kenergy has 2 separate AMI Pilots underway. Both use power line carrier for communications. One includes proprietary software integral to a TWACS System and the other uses similar software unique to a Cannon system.

b. Provide the current status of the AMI pilot.

**RESPONSE:** Both pilots are ongoing.

c. Identify and describe the costs associated with the AMI pilot in terms of meters, other hardware and software.

**RESPONSE:** Meters- \$157,901.46  
Other Hardware – \$120,274.25  
Software – \$69,160.26  
Training – \$7,219.25  
Postage – \$77.43

d. Provide the level of costs associated with the AMI pilot that has been incurred under previous Kenergy construction work plans. If none, explain why.

**RESPONSE:** \$354,632.65

e. Provide the level of costs associated with the AMI pilot that has been included in the proposed 2010-2013 construction work plan. If none, explain why.

**RESPONSE:** None, since the full deployment of AMI will depend on a future decision based on a business model incorporating tangible benefits, the value of which are still being developed.

Multiple industry trends and indicators will be monitored during the next 3 years.

**WITNESS:** John Newland.

2. Refer to the proposed 2010-2013 Construction Work Plan, Section 2, Table 2.1, Construction to Serve New Members.

a. The average cost of new meters over the period of the work plan ranges from \$159 to \$165. Identify the manufacturer and type of meters referenced. Describe the "Smart" capabilities of these meters including (1) two-way communication, (2) time-of-use rates, and (3) the ability to accommodate in-home displays.

**RESPONSE:** Itron type C1S or equivalent electronic meters will be purchased. Meters of this type will accommodate programmable modules and facilitate two-way communication. It is believed these meters will accumulate data suitable for rate designs of many types, including time-of-use. This same data can be used for in-home applications.

b. The average cost of new meters for the period 2007-2009 was \$156. Identify the manufacturer and type of meters. Compare the "Smart" capabilities of these meters to those included in the proposed 2010-2013 construction work plan.

**RESPONSE:** Prior purchases were typically electromechanical by type, from several manufacturers (GE, Itron, ABB, L&G). These have no inherent Smart capabilities, but some newer units can be retrofitted. Kenergy never used this approach in the AMI Pilots.

**WITNESS:** John Newland.

3. Provide the number of meters currently installed on the Kenergy system that are capable of automated meter reading.

**RESPONSE:** Approximately 1100.

**WITNESS:** John Newland.

4. If not included in previous responses, describe the existing capabilities of the meters currently installed on the Kenergy system, the potential capabilities of those meters, and the estimated cost of modifying those meters to attain the potential capabilities.

**RESPONSE:** Research prior to the AMI Pilots suggested the cost of retrofitting older meters was cost prohibitive and that option was not pursued. There has been no change in that position. There are 1100 electronic meters installed with programmed modules in the 2 Pilots. All purchases of meters from January 2010 forward will be electronic meters without modules. The purchase price is equal to electromechanical meters. Once a vendor for AMI full deployment has been selected, modules will be added to all electronic meters.

**WITNESS:** John Newland.

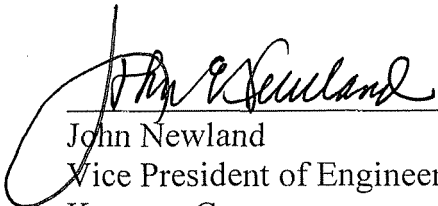
**DORSEY, KING, GRAY, NORMENT & HOPGOOD**  
**318 Second Street**  
**Henderson, Kentucky 42420**  
**Telephone 270 - 826-3965**  
**Telefax 270 - 826-6672**  
**counsel for Kenergy Corp.**

By \_\_\_\_\_

  
Frank N. King, Jr.

**VERIFICATION**

The undersigned John Newland hereby verifies that the information set forth in the foregoing Response of Kenergy Corp. to First Data Request of Commission Staff is true and correct to the best of my information, knowledge and belief.

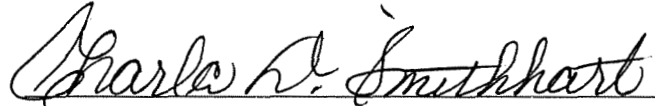
  
John Newland  
Vice President of Engineering,  
Kenergy Corp.

STATE OF KENTUCKY

COUNTY OF HENDERSON

The foregoing was signed, acknowledged and sworn to before me by  
**JOHN NEWLAND, Vice President of Engineering, Kenergy Corp.**, this 1st day of  
June, 2010.

My commission expires September 29, 2013

  
Notary Public, State of Kentucky at Large

(seal)